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September 3, 2014

Ms. Laura Peters
Department of Water Resources, Division of IRWM
Laura.Peters@water.ca.gov

RE: County of Ventura Comments on 2014 Water-Energy Grant Program Draft Guidelines and Proposal Solicitation Package

Dear Ms. Peters:

The County of Ventura appreciates this opportunity to comment on the proposed Guidelines and Proposal Solicitation Package (PSP) for the 2014 Water-Energy Grant Program. We feel these comments will help DWR structure the grant program in a way that results in reduced energy use, reduced water use, and fewer greenhouse gas emissions. Our comments are as follows:

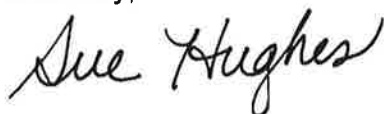
1. **Funding.** We would like to suggest that the total award to any one entity be limited to \$5 million.
2. **Definition of System.** We would like to propose that DWR expand the definition of "System." According to page 9 of the Draft Guidelines and PSP, a "System" is defined as an individual water service area boundary. This definition seems to contradict DWR's objective to fund projects proposed in *any* segment of the water use cycle. It also contradicts DWR's intent to achieve water savings in the commercial and institutional sectors. Proponents that propose projects related to the commercial and institutional sectors are not necessarily water suppliers and therefore do not have easy access to water supplier system data. For projects that achieve water and energy savings in commercial and institutional sectors, the "System" should be defined as everything on the customer's side of the water and energy meters.
3. **DAC Benefit/Status.** Based on the PSP, Table 2, proposals are considered to benefit DACs if the projects in the proposal serve one or more of the top 20 percent DACs as defined by CalEnviroScreen. Later parts of the PSP imply that location of the project (in or out of a DAC area) is the criteria for determining that the project benefits a DAC. We would encourage DWR to make it clear that projects that are deemed to serve a DAC community have DAC benefits.
4. **Funding Priority.** We believe the goals of the program would be better reflected in the Funding Priority List (Table 3 of the Draft PSP) if what is currently listed as Priority 3 (DAC – Yes, Water – Medium, Energy – High) becomes fourth priority and what is currently Priority 4 (DAC – No, Water – High, Energy – High) becomes the third priority.
5. **Reimbursement Period.** We recommend the grant reimbursement period remain "as costs incurred after July 1, 2014." This makes it more palatable for project proponents to spend money to perform data gathering and studies that are needed to refine the project and to

identify the best options for maximizing energy and water savings. These studies are needed in order to prepare the grant application which will ultimately benefit the resulting project.

6. **Estimates of Water Savings.** Table 7 of the PSP is an example worksheet that DWR intends to use to estimate water savings, energy savings, and GHG emissions reductions. In this worksheet, in the discussion of water savings, the outputs include "Annual imported volume of water savings" and "Annual hot water heating savings." It's unclear why imported water and hot water heating are specifically called out in this table. Is the intent to capture the relatively higher energy input of these water types? If so, the energy input of these water types will be captured in the section of the worksheet for energy and should not be "double counted" here. Specifically calling out imported water and heated water seems to negate other water savings (e.g., reduced use of surface water, reduced use of pumped groundwater).
7. **Estimates of Energy Savings.** Similar to the comment above, we feel Table 7 of the PSP emphasizes energy savings in some sectors (imported water and heated water) and discounts the benefits in others. While we agree that different water types have different embedded energy, this table seems to disregard energy savings from things like reduced groundwater pumping and reduced use of potable water. It also seems to double count some benefits. For example, if a project claims to save 2 million gallons of water from an imported water source that is heated, the worksheet appears to give credit for saving energy in 2 million gallons water imported *and* credit for saving 2 million gallons heated water. The worksheet needs to be able to differentiate between the source of the water (i.e., raw imported water, treated imported water, raw surface water, treated surface water, raw groundwater, or treated groundwater) and the handling of the water (heated, not heated) to arrive at the energy embedded in each source of water. Along with this information, the worksheet should provide a way to input energy savings from energy efficiency measures.
8. **Estimates of GHG Savings.** Similar to comments 6 and 7, Table 7 of the PSP seems to over-emphasize GHG emissions from particular sectors of the water cycle. We recommend the table be restructured to insure that GHG is calculated based on information on the source of water saved (i.e., raw imported water, treated imported water, raw surface water, treated surface water, raw groundwater, or treated groundwater) *and* the handling of the water (i.e., less water heated). The worksheet also needs to allow easy input of GHG emissions from energy efficiency measures.

Thank you for the opportunity to provide comments on the proposed Guidelines and Proposal Solicitation Package (PSP) for the 2014 Water-Energy Grant Program. Should you have any questions, please don't hesitate to contact me at (805) 654-3836 or susan.hughes@ventura.org.

Sincerely,



Sue Hughes
Deputy Executive Officer